

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICESFORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>03 - 027</u>	2. STATE <u>Indiana</u>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE JAN 1, 2004	

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION 42 CFR 441.150	7. FEDERAL BUDGET IMPACT a. FFY <u>2004</u> \$ <u>56.4 million</u> b. FFY <u>2005</u> \$ <u>56.4 million</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, pages 2.4 and 2.5 Attachment 3.1-A, Addendum pg 11	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) none Attachment 3.1-A, Addendum pg 11

10. SUBJECT OF AMENDMENT

PRTF reimbursement

Indiana (03-027)
Approved: 01/22/04
Effective: 01/01/04

11. GOVERNOR'S REVIEW (Check One)

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED

12. SIGNATURE OF STATE AGENCY OFFICIAL <i>Melanie Bella</i>	16. RETURN TO Melanie Bella, Asst Sec. OMPP, Rm W382 402 W Washington Indianapolis, IN 46204 ATTN: T Brunner, plan coordinator
13. TYPED NAME Melanie Bella	
14. TITLE Asst Secretary OMPP	
15. DATE SUBMITTED 10/30/03	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: <u>1/22/04</u>
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: <u>01/01/04</u>	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Cheryl A. Harris</i>
21. TYPED NAME: Cheryl A. Harris	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health
23. REMARKS:	

RECEIVED

OCT 30 2003

DMCH - IL/IN/OH

- 15.a. Intermediate Care Facility Services
Provided with limitations.
Reimbursement is available for services provided by a certified intermediate care facility for the mentally retarded (ICF/MR), subject to the limitations set out in 405 IAC 5. Such services must be provided in accordance with IC 12-15-32, 42 CFR 483.400-480, and 405 IAC 5.
- 15.b. Including such services in a public institution for the mentally retarded
Provided with limitations.
Reimbursement is available for services provided by a certified intermediate care facility for the mentally retarded (ICF/MR), subject to the limitations set out in 405 IAC 5. Such services must be provided in accordance with IC 12-15-32, 42 CFR 483.400-480, and 405 IAC 5.
16. Inpatient Psychiatric Facility Services for Individuals under Age 21
Provided with limitations.
Medicaid prior authorization is required for inpatient psychiatric hospital and psychiatric residential treatment facility services for individuals under 21 years of age. Reimbursement is subject to the requirements set out in 42 CFR 441 Subpart D and the limitations set out in 405 IAC 5.
17. Nurse-Midwife Services
Provided with limitations.
Coverage is restricted to services that a certified nurse-midwife is legally authorized to perform. Reimbursement is available subject to the limitations set out in 405 IAC 5.
18. Hospice Care
Provided with limitations.
Medicaid reimbursement is available for hospice services subject to the requirements set out in 405 IAC 1-16 and the limitations set out in Indiana Medicaid's covered services rule at 405 IAC 5.

TN No. 03-027
Supersedes
TN No. 00-007

Approval Date JAN 2 2004

Effective Date 1-1-04

Psychiatric Residential Treatment Facility Services

For purposes of this section, "Psychiatric residential treatment facility" (PRTF) means a PRTF licensed under *470 IAC 3-13* and meeting the requirements set forth in *405 IAC 5-20-3.1*.

Reimbursement for Medicaid-covered psychiatric residential treatment facility services is made in accordance with the following prospective reimbursement methodology. The statewide prospective per diem shall constitute full reimbursement. There shall be no year-end cost settlement payments.

Covered inpatient psychiatric facility services for individuals under twenty-one (21) years of age provided in PRTFs shall be reimbursed in accordance with the following:

- (1) PRTFs shall be reimbursed for services provided to Medicaid recipients based upon the lower of:
 - (A) the state-wide PRTF prospective per diem rate calculated by the Office or
 - (B) the usual and customary daily charges billed for the psychiatric treatment of eligible recipients
- (2) The applicable PRTF payment per diem rate determined in section (1) shall provide reimbursement for all Medicaid-covered services provided in the psychiatric residential treatment facility except for those costs described in section (3). Providers will include, and rates will be determined using, only those allowable costs set out in Medicaid PRTF provider cost reporting instructions and update bulletins.
- (3) The per diem rate determined in section (1) shall exclude costs incurred for pharmaceutical services and physician services provided to eligible recipients. Medicaid reimbursement for costs incurred for pharmaceutical services provided to eligible recipients shall be paid separate and apart from the PRTF per diem rate and in accordance with the reimbursement policies described in *405 IAC 5-24*. Medicaid reimbursement for costs incurred for physician services provided to eligible recipients shall be paid separate and apart from the PRTF per diem rate and in accordance with the reimbursement policies described in *405 IAC 5-25*.
- (4) All costs utilized to determine the statewide prospective per diem rate in section (1)(A) shall be subject to reasonability standards as set forth in the *Medicare Provider Reimbursement Manual*, CMS-Pub. 15-1, Chapter 25.

- (5) The per diem rate determined in section (1) shall exclude such costs unrelated to providing psychiatric residential services including, but not limited to the following:
- (A) group education including elementary and secondary education
 - (B) advertising or marketing
 - (C) non-psychiatric specialty programs
- (6) Medicaid reimbursement for Medicaid-covered psychiatric services provided to recipients residing in a psychiatric residential treatment facility shall be limited to the payments described in *405 IAC 1-21*. Medicaid reimbursement for Medicaid-covered services not related to the recipient's psychiatric condition is available, separate from the PRTF per diem, only in instances where those services are performed at a location other than the PRTF.
- (7) The established per diem rate for psychiatric residential treatment facilities shall be reviewed annually by the OMPP or its contractor by using the most recent, reliable claims data and adjusted cost report data to reflect changes in treatment patterns, technology, and other factors that may change the cost of efficiently providing inpatient psychiatric services, and adjusted as necessary, in accordance with this section.

PRTFs shall file a cost report annually using a uniform cost report form prescribed by the Office of Medicaid Planning and Policy (OMPP). The OMPP or its contractor may audit or review the cost reports as it deems necessary.

TN No. 03-027

Supersedes

TN No. new

Approval Date Jan 1, 2004

Effective Date Jan. 1, 2004